The background of the image is a grayscale photograph of US Treasury bonds and a document. The bonds are stacked, with the top one showing the Great Seal of the United States and the words "IN THE STATE OF MICHIGAN". Below the seal, the text "INCORPORATED UNDER THE LAWS" is visible. To the right, the words "NATIONAL CORPOR" are partially visible. In the foreground, a document with the number "8038" is prominently displayed.

# **Tax Exempt Bonds- Filing Requirements**

**Internal Revenue Service  
and  
Tax Exempt and  
Government Entities  
(TE/GE)  
Operating Division**

## **Tax Exempt Bonds - Filing Requirements**

*The Internal Revenue Service, Tax Exempt & Government Entities (TE/GE) Operating Division offers specialized assistance to customers of tax exempt bonds. State and local officials can use this brochure as a quick reference to some of the more common filing requirement questions of tax exempt bond customers.*

*An estimated \$1.5 trillion is currently invested in tax exempt bonds, which are typically issued by a government entity. These governmental customers are not subject to federal income tax at the entity level. They are, however, required to file certain returns as a result of*

*issuing tax exempt bonds. The issuance of tax exempt bonds benefits a wide array of organizations representing a significant portion of the economic sector. These organizations have widely varying needs, different annual filing requirements, and minimum overlap in governing tax law.*

*Please see the enclosed chart on filing requirements (types of returns required to be filed and due dates for filing), procedures for filing a late return, and common errors to look out for when you file. Telephone numbers for assistance are also included in this brochure.*



# Filing Requirements

Use the following chart as a year-round guide to determine filing category, form(s) required, and due dates.

Customer	Type of Return	Due Dates(s)	Late Payment(s)
Issuers of tax exempt qualified private activity bond.	Form 8038, <i>Information Return for Tax Exempt Private Activity Bond Issues</i>	15th day of the 2nd calendar month after the close of the quarter in which the bonds were issued.	
Issuers of tax exempt government bonds of <b>\$100,000 or more.</b>	Form 8038-G, <i>Information Return for Tax Exempt Government Obligations</i>	15th day of the 2nd calendar month after the close of the quarter in which the bonds were issued.	
Issuers of tax exempt government bonds of <b>less than \$100,000.</b>  The return is either filed separately for each issue of less than \$100,000 or as a consolidated return for all issues of less than \$100,000 each within the calendar year.	Form 8038-GC, <i>Information Return for Small Tax Exempt Governmental Bond Issues, Leases, and Installment Sales</i>	When the return is filed as: <ul style="list-style-type: none"> <li>• <b>For single issue</b>—15th day of the 2nd calendar month after the close of the quarter in which the bonds were issued.</li> <li>• <b>Consolidated returns</b>—on or before Feb 15th of the calendar year following the year in which the bonds are issued.</li> </ul>	
Issuers of tax exempt bonds to make: <ul style="list-style-type: none"> <li>• yield reduction payments</li> <li>• arbitrage rebate payments</li> <li>• payments for penalty in lieu of rebate</li> <li>• the termination of the election to pay a penalty in lieu of rebate, or</li> <li>• penalty for failing to pay arbitrage rebate on time</li> </ul>	Form 8038-T, <i>Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate</i>	<p><b>Payments for arbitrage rebate</b> are generally due 60 days after the end of every 5th bond year during the term of the issue and 60 days from the date the issue is discharged.</p> <p><b>Yield reduction payments</b> are due at the same time as rebate payments.</p> <p><b>Payments for penalty in lieu of rebate</b> are due no later than 90 days after the end of each 6-month period relating to the penalty.</p>	A failure to timely pay arbitrage rebate will be treated as not having occurred if: <ul style="list-style-type: none"> <li>• the failure is not due to willful neglect, and</li> <li>• the issuer submits a Form 8038-T with a payment of the rebate amount owed, penalty and interest. The penalty may be waived under certain circumstances.</li> </ul>
Issuing authority of qualified private activity bonds to elect to carry-forward any unused volume cap for one or more purposes.	Form 8328, <i>Carry-forward Election of Unused Private Activity Bond Volume Cap</i>	This return must be filed by the earlier of: <ul style="list-style-type: none"> <li>• Feb 15th of the calendar year following the year in which the excess amount arises, or</li> <li>• the date of issue of bonds pursuant to the carry-forward election.</li> </ul>	Once the Form 8328 is filed, the issuer may not revoke the carry-forward election or amend the carry-forward amounts shown on the return.

## Procedures for Returns Filed Late

You may be granted an extension of time to file Forms 8038, 8038-G, or 8038-GC as long as the failure to file on time is not due to willful neglect. Please adhere to the following guidelines:

- Write on the top of the form:

**This Statement is Submitted in Accordance with IRS Revenue Procedure 88-10.**

- Attach a statement to the form explaining why your form was not timely submitted to the IRS, and
- Indicate whether the bond issue in question is under examination.

## Request for Recovery of Overpayment of Arbitrage Rebate

In general, a request for recovery of overpayment of arbitrage rebate can be made when you can establish that an overpayment occurred.

## Where to File

File all tax exempt bond returns and requests for recovery of overpayment of arbitrage rebate with the Internal Revenue Service Center at the following address.

**Internal Revenue Service Center  
Ogden, UT 84201**

## Signature

**Your authorized representative must sign all tax exempt bond returns (IRS Forms 8038, 8038-G, 8038-GC, 8038-T, and 8328). The name and title of the person signing the return should be printed.**



## Common Errors

Please use the tips below as a checklist to prevent mistakes commonly made on Forms 8038, 8038-G, and 8038-GC.

### Double Checks

#### Authorized Representative

Your authorized representative must sign the form and any applicable certification. Also, be sure to print the name and title of the person signing the Form 8038.

#### Employer Identification Number (EIN) and Name

Make consistent on the return.

Make certain that you enter the employer identification number (EIN) **of the governmental entity that issued the bonds.** (The EIN of the entity receiving the benefit should not be used.)

#### Issue Date

Enter on return.

You must enter the issue date on the return. The date of issue is generally the date on which you physically exchange the bond(s) for the underwriter's (or other purchaser's) funds. The date of issue for a lease arrangement is the date on which the arrangement first starts accruing interest.

#### Issue Price

Enter on return.

Generally, the issue price of bonds that are publicly offered is the first price at which a substantial amount of the bonds is sold to the public. Ten percent is a substantial amount. Please include the issue price on the return.

#### Maturity Date

Enter on return.

Please enter the last date that you must redeem the entire issue.

#### "Amended Return" Block on Return

Please **do not check** in error.

IRS research shows that in some cases a return is mistakenly checked as "amended," when in fact, it is more often an "original." Please be careful not to check "Amended Return," unless it is.

#### Explanation with a Late Return

Attach a request for an extension to file return.

If your return is filed late, you must have a statement attached setting forth the reason(s) why your return was not submitted timely to the IRS.

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## **Telephone & Internet Assistance**


TE/GE and Tax Exempt Bonds offer the following primary contacts for answers to your tax questions and for tax information materials:

### **Customer Account Services**

toll free at (877) 829-5500

### **Tax Exempt Bonds**

Web site at  
[www.irs.gov/bonds](http://www.irs.gov/bonds)



*Working to put  
service first*



Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

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